

INTELLOFAX 4

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SECURITY INFORMATION

25X1A

German Democratic Republic

[REDACTED]

STATUS OF PRIVATE ENTERPRISE IN THE GDR; HIGH-SPEED MACHINING <sup>WITH</sup> CEMENTED-CARBIDE CUTTING

25X1A TOOLS ( 3 pp; German; date of report: [REDACTED] date of information: [REDACTED]; acquired  
25X1A [REDACTED] distribution date: 8 Jan 53) 25X1A

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[REDACTED]

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[REDACTED]

Even small GDR plants (private and people-owned) are receiving armament orders. Since June 1952 private plants are also being worked to capacity, reversing an earlier attitude of disinterest by GDR officials in this respect. Since June 1952 TAN (technical work norms) officials have been visiting these plants to determine plant capacities. This determination is made to enable GDR officials to assign production quotas to these plants. The assigned quotas usually exceed the normal plant capacity. If the plants are unable to fulfill their quotas after a three months' trial period (the plants are not given any work instructions with regard to TAN norms, etc.) punitive measures are taken which invariably result in expropriation.

The report points out that the term VEB (people-owned enterprise) is no longer added to the name of an expropriated firm. The original name is kept unchanged for purposes of deception.

The facilities of the small plants are to be used for high-speed machining <sup>with</sup> cemented-carbide cutting tools. At the time of the TAN inspection every one of the plants is handed a graph [included in this document] and a set of instructions [not included] for its use in the machining operations. The document cites one example for the practical application of the graph.

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[Foreign language document or microfilm of it (A-13592) is available from CIA Library, Ext. [REDACTED]]

16 January 1953

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